

## Message Text

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45

ACTION OPIC-06

INFO OCT-01 ARA-06 ISO-00 SP-02 USIA-06 AID-05 EB-07

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 LAB-04

SIL-01 L-03 /080 W

----- 030542

R 271930Z AUG 76 ZUI UR 2132W

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 1320

INFO AMCONSUL GUAYAQUIL

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E.O. 11652: N/A

TAGS: EINV, EC

SUBJECT: GOE MINISTER OF INDUSTRY AND COMMERCE INDICATES  
WILLINGNESS TO ENTER INTO BILATERAL EXCHANGE OF NOTES  
TO PERMIT FULL RESUMPTION OF OPIC ACTIVITIES IN  
ECUADOR

REF: QUITO 2732

1. GOE MINISTER OF INDUSTRIES, COMMERCE AND INTEGRATION,  
GALO MONTANO, ON AUGUST 26 ASKED EMBASSY'S E/C COUNSELOR FOR  
EXPLANATION OF THE LEGAL DIFFICULTIES THAT ARE PREVENTING  
FULL RESUMPTION OF OPIC ACTIVITIES IN ECUADOR. COUNSELOR  
REPLIED HIS UNDERSTANDING IS THAT WHAT IS REQUIRED IS GOE  
REAFFIRMATION OF THE BILATERAL INVESTMENT GUARANTEES OF  
1955 AND 1963. COUNSELOR COMMENTED THAT PREVIOUS DISCUSSIONS  
WITH GOE OFFICIALS INDICATED THEY MIGHT BE RELUCTANT TO  
ENTER INTO SUCH EXCHANGE OF NOTES BECAUSE IT MIGHT LEAVE  
ECUADOR OPEN TO CHARGES BY OTHER ANDEAN PACT MEMBERS THAT  
ECUADOR IS NOT LIVING UP TO ITS OBLIGATIONS UNDER ARTICLE 52  
OF THE PACT (REGARDING ARBITRATION AND SUBROGATION IN  
INVESTMENT DISPUTES).

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2. MINISTER RESPONDED THAT "EACH MEMBER COUNTRY OF THE PACT IS FREE TO IMPLEMENT ARTICLE 52 AS IT SEES FIT." HE REQUESTED THAT EMBASSY GIVE HIM SOMETHING IN WRITING SPECIFYING THAT AN EXCHANGE OF NOTES REAFFIRMING THE TWO EARLIER BILATERALS WOULD PERMIT OPIC TO RESUME FULLY ITS ASSISTANCE FOR PROJECTS IN ECUADOR.

3. EMBASSY BELIEVES WE SHOULD RESPOND AFFIRMATIVELY TO MINISTER'S REQUEST. IF HE PROVES ABLE TO WIN ALL REQUIRED GOE CLEARANCES FOR A NEW EXCHANGE OF NOTES REAFFIRMING THE TWO EARLIER BILATERALS, WE ASSUME THAT OPIC AND ALL OTHER INTERESTED PARTIES IN WASHINGTON WILL BE SATISFIED THAT FIRM LEGAL BASIS EXISTS FOR OPIC TO RESUME POLITICAL RISK INSURANCE AND ALL OTHER FORMS OF OPIC ASSISTANCE FOR PROJECTS IN ECUADOR.

4. ACTION REQUESTED: EMBASSY REQUESTS PROMPT CONCURRENCE FOR A LETTER TO BE SENT FROM EMBASSY TO MINISTER MONTANO STATING THAT A NEW EXCHANGE OF NOTES REAFFIRMING THE TWO EARLIER BILATERALS WOULD PERMIT OPIC TO RESUME FULLY ITS ASSISTANCE FOR PROJECTS IN ECUADOR.  
BLOOMFIELD

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DISPUTES, LITIGATION, DIPLOMATIC NOTES, INVESTMENT GUARANTEES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976QUITO06119  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 QUITO 2732  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 20 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <20 JUL 2004 by SmithRJ>; APPROVED <02 NOV 2004 by ShawDG>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOE MINISTER OF INDUSTRY AND COMMERCE INDICATES WILLINGNESS TO ENTER INTO BILATERAL EXCHANGE OF NOTES TO PERMIT FULL RESUMPTION OF OPIC ACTIVITIES IN  
**TAGS:** EINV, EC, US, OPIC  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006